

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

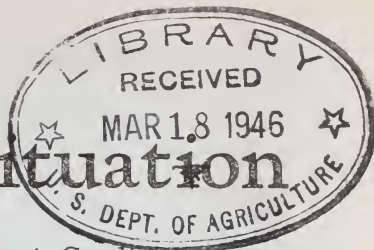
copy 6

The Agricultural Situation

A Brief Summary of



Economic Conditions



Issued Monthly by the Bureau of Agricultural Economics
United States Department of Agriculture

Subscription price, 25 cents per year; single copy, 5 cents; foreign price, 45 cents; payable in cash or money order to the Superintendent of Documents, Government Printing Office, Washington, D. C.

Washington, D. C.

January 1, 1937

Volume 21, No. 1

A BETTER YEAR IN SPITE OF THE DROUGHT

Farmers made financial gains during 1936 in spite of the severe drought. This was not true of some groups in certain sections but apparently was true of agriculture as a whole.

It was a poor crop season, especially throughout the North. The Corn Belt and Wheat Belt, for the second time in 3 years, found their crops cut short by a drought of record severity. Some 32 million acres planted to grains last spring were abandoned. In addition, about 12 million acres of winter wheat and a large acreage in hay were lost.

The upshot was that the total area of general crops harvested in 1936 was about 315 million acres. This was slightly more than the acreage harvested in the other bad drought year 1934 but it was at least 10 percent less than the harvested acreage in any of the dozen years preceding.

Among the chief cash crops, cotton was the only one larger this year than last. The higher prices this fall, however, made these money crops worth more than they were a year ago. The cotton crop had a farm value this fall of \$955,000,000 against \$737,000,000 a year ago. Wheat, even including the very poor spring wheat crop, had a farm value of \$624,000,000 against \$521,000,000 in 1935. The small crop of potatoes this fall had a value of \$367,000,000 against \$231,000,000 a year ago.

Crop prices through the summer and fall averaged 14 percent higher than a year ago. Farmers received more money both from their crops and from their livestock products this last year than a year ago, notwithstanding that the crop output actually was smaller.

The final showing for the season is summed up in the figures for agricultural income. The gross income from farm production for 1936 is tentatively estimated at \$9,530,000,000. This is 12 percent larger than the 1935 income of \$8,508,000,000. The comparable 1934 figure was \$7,276,000,000 and in 1932, the low point of the depression, it amounted to \$5,337,000,000.

Whereas income went up 12 percent in a year, expenses increased only 6 percent. The pay realized by the farmer for his work and capital in 1936 had a purchasing power apparently the highest in any of the last 13 years for which these income estimates are available.

FARM INCOME \$9,530,000,000 IN 1936

The gross income from agricultural production for 1936 will be approximately \$9,530,000,000, according to the preliminary estimates. This figure is 12 percent larger than the 1935 income of \$8,508,000,000. The comparable 1934 figure was \$7,276,000,000 and in 1932, the low point of the depression, it amounted to \$5,337,000,000.

The foregoing figures include the gross income from products sold or to be sold, the estimated value of products used in the farm household, and all Government benefit payments.

It thus appears that the gross income of American farmers has risen by more than a billion dollars a year during the last 4 years.

EIGHT BILLIONS OF ACTUAL CASH SALES

The actual cash income from the 1936 products sold, or to be sold, is estimated at approximately \$8,100,000,000, compared with \$7,201,000,000 in 1935, and \$4,377,000,000 in 1932. These figures represent cash sales and do not include any value of products used on the farms.

WHAT THE FARMER GETS FOR HIS YEAR'S WORK

The 1936 income available to pay the farmer for his labor, management, and capital will reach about \$5,300,000,000. This figure is arrived at by deducting from the gross income the estimated expenditures of about \$4,230,000,000 for goods used in production, wages, interest, taxes, and rent, as well as allowance for depreciation of buildings and equipment.

This exceeds the 1935 comparable figures of \$4,538,000,000 by 17 percent. It is only 7 percent less than the comparable 1929 income of \$5,669,000,000.

INCOME UP 12 PERCENT—EXPENSES ONLY 6 PERCENT

The gain in gross income in 1936 was greater than the increase in expenses. Income increased about 12 percent, expenses only 6 percent. The actual position of the farmer, therefore, has improved more during the last year than is indicated by the gross income alone.

If the difference in the level of prices paid by farmers for commodities used for family living is taken into account, the purchasing power of the 1936 income available to farm operators actually exceeded that of 1929 and is the highest for any of the last 13 years for which these farm income estimates are available.

HIGHER PRICES CHIEFLY RESPONSIBLE, NOT LARGER OUTPUT

In general, the increase in the 1936 gross income over 1935 is due principally to a higher level of farm prices, since the total volume of agricultural output this year was only 3 percent larger than last year. That small increase was livestock and its products. Crop production was smaller than a year ago, due chiefly to shorter crops of grains, apples, potatoes, and tobacco.

Prices of all crops for the first 5 months of the current marketing season (that is, July–November) averaged 14 percent higher than a year ago and more than offset the smaller production.

The gross income from crops, as well as from livestock and livestock products, was larger in 1936 than in 1935. Income from cotton and from meat animals showed the largest increase over 1935, while tobacco and poultry products showed only minor gains. The small apple crop this year caused the fruits group to show a smaller gross income than last year.

GOVERNMENT PAYMENTS SLIGHTLY SMALLER

Government payments to farmers in 1936 under the conservation program and as rental and benefit payments on the 1936 winter wheat crop will approximate \$480,000,000 compared with rental and benefit payments of \$498,000,000 in 1935.

This year Government payments made up 9 percent of the income available to farm operators after deducting production expenses, whereas in 1935 they represented 11 percent.

INDEX NUMBERS OF THE VOLUME OF AGRICULTURAL PRODUCTION, FOR SALE OR FOR CONSUMPTION IN THE FARM HOME

[1924–29=100]

Year	All crops	All livestock and livestock products	Total
1919.....	89	86	87
1920.....	101	83	91
1921.....	77	87	83
1922.....	89	94	92
1923.....	90	99	95
1924.....	96	97	97
1925.....	99	96	97
1926.....	106	98	102
1927.....	95	102	99
1928.....	106	103	104
1929.....	97	104	101
1930.....	95	105	101
1931.....	104	109	107
1932.....	90	107	100
1933.....	82	109	97
1934.....	70	112	94
1935.....	86	98	92
1936.....	81	106	95

THE EFFECTS OF THE DROUGHT ON FARM MANAGEMENT

The widespread drought of 1936 created a second emergency in feed supplies and livestock feeding within the last 3 years. In 1934 low crop yields and crop abandonment reduced feed supplies considerably under the requirements of the livestock on hand, thus forcing the liquidation of large numbers of livestock.

Although feed supplies this year are greatly below the 1928-32 average, the feed supply situation is not as serious as it was 2 years ago. Both production and carry-over of feeds are larger this year than in 1934, and the numbers of livestock on farms and ranches on January 1, 1936, were smaller than at the beginning of 1934.

LIVESTOCK SITUATION NOT QUITE AS BAD AS IN 1934

The numbers of livestock marketed in 1936-37 because of shortage of feed will be much less than those following the 1934 drought. The liquidation required will be limited to smaller areas. Livestock that was forced off individual farms and ranches before the drought broke, went in considerable numbers to surplus feed and pasture areas rather than prematurely to market.

The shortage in feed supplies this year is primarily in grain, particularly corn. The supply of corn this year is about the same as in 1934, which is 65 percent of the 1928-32 average. Oat supplies, although somewhat larger than in 1934, are approximately 400 million bushels below the average supply. Barley supplies are slightly larger than in 1934, but they too are far below the average. The production of grain sorghums is less this year than at any time, except in 1934, for many years.

The supplies of hay are only about 6 percent below the 1928-32 average. The light crop in 1936 is accompanied by an unusually large carry-over from the 1935 crop, and the quality of hay produced in 1936 is above that of recent years.

The number of grain-consuming animal units on farms January 1, 1937, probably will be about the same as a year earlier, but the number of hay-consuming animal units will be smaller than last year. Thus the supply of feed grains per grain-consuming animal unit for the current feeding season is about 25 percent less than the 1928-32 average, but approximately 5 percent more than in 1934. For the smaller number of hay-consuming animals, the supply per hay-consuming animal unit is nearly one-third more than in 1934 and only 5 percent less than the 1928-32 average.

PASTURES BADLY HURT

Pastures were affected about as seriously by drought in 1936 as in 1934. Many permanent pastures have been so seriously damaged by the series of droughts that, even under favorable weather conditions, it will be several years before they will again produce normal pasturage. Generally throughout the drought area, however, except in the northern Great Plains region, pastures recovered remarkably following rains early in October.

DROUGHT WORST IN WEST CENTRAL STATES

The loss of crops was most severe this year in eastern Montana, northeastern Wyoming, North Dakota, South Dakota, Nebraska, Missouri, Minnesota, western and southern Iowa, and parts of Kansas and Oklahoma.

TOTAL SUPPLY OF FARM-GROWN FEEDS, 1936

Region	Feed grains (thousands of tons)			Hay		
	Average 1928-32	1934	1936	Average 1928-32	1934	1936
North Atlantic-----	3, 761	3, 947	4, 110	13, 510	11, 148	12, 018
East North Central----	31, 883	21, 288	24, 821	17, 765	12, 859	18, 890
West North Central----	53, 629	24, 631	26, 089	27, 445	13, 116	21, 393
South Atlantic-----	5, 693	5, 970	6, 477	3, 799	4, 007	3, 706
South Central-----	15, 067	11, 464	12, 403	7, 054	7, 137	7, 108
Western-----	3, 500	2, 306	3, 002	20, 347	17, 584	20, 450
United States--	113, 533	69, 606	76, 902	89, 920	65, 851	83, 565

BETTER HAY SUPPLY THAN IN 1934

The supplies of surplus hay are more evenly distributed this year than in 1934. Consequently, it probably will not be necessary to ship hay so extensively into the drought areas as an emergency measure as in 1934. As a result of their recent experiences following the 1934 drought, farmers probably will make better use of stover, straw, and other low quality roughages than they generally have heretofore.

The present hay acreage is sufficient to produce an ample crop in 1937 under normal weather conditions. There will be local shortages, however, which will need to be supplemented by increased plantings of small grains, legumes, and other emergency hay and forage crops. Relatively lower prices for seeds of nonleguminous forage crops will be a factor favoring their use. However, participation in the soil conservation program will encourage the seeding of legumes.

Current wholesale prices of grass and clover seeds average about 60 percent above those of last year. Red clover, sweetclover, and alfalfa seed prices are about 85 percent higher than they were a year earlier.

GRAZING LANDS WILL BE SLOW TO COME BACK

The national program for crop adjustment and soil conservation has fostered an increased acreage of pastures, and has encouraged improvement of pastures through the use of limestone and fertilizers. The increase in the acreage and in the quantity of fertilizer has not increased production, because of the drought conditions since 1934.

Supplementary seedings of emergency early season pastures will be needed on many farms, particularly in the southern part of the Corn Belt and in Oklahoma, but with normal weather the pasture situation should not be serious next year in the general farming areas.

Recovery from the effects of the 1934 and 1936 droughts will be slower in the range areas where grazing lands cannot be reseeded readily or supplemented by annual pastures.

HIGH PRICED FEED CAUSED LIQUIDATION OF STOCK

During the winter and early spring of 1937 livestock producers will be confronted with a general shortage of feed and high feed costs. Livestock feeding ratios will be generally unfavorable during the forepart of the year.

After the heavy winter marketings of hogs is over, supplies during the rest of the year are expected to be reduced sufficiently to cause a rather sharp advance in hog prices. If prospects for a corn crop are favorable in 1937, corn prices will weaken in the spring and summer and by the time for breeding for the fall pig crop the hog-corn price ratio may be quite favorable. Farmers should look forward to breeding for a larger fall pig crop than in 1936.

Cattle prices in 1937 will have to be considerably above those of 1935 and 1936 for cattle feeding to be profitable. Prices of unfinished cattle are much higher than they were 2 years ago and feed costs are somewhat higher.

Cattle feeding operations in the Corn Belt, particularly in the western Corn Belt States, probably will be confined largely to the production of short-fed cattle on hay and roughage and limited quantities of grain. Some increase in feeding is probable in most of the Western States and other local areas outside the Corn Belt.

Feeders who are in position to market well finished cattle in the last half of the year will probably sell on a relatively favorable market as compared with the first half of the year.

Where there is a choice, the fattening of livestock this winter should be limited if by so doing the sacrifice of foundation stock can be avoided. A strong demand for replacement stock of all kinds is in prospect in 1937 if crop production and pasture conditions are fairly normal. This will result in relatively high prices for cows and heifers.

Conditions in general indicate that prices for cattle of all kinds will be favorable to cattle producers during the next 2 or 3 years. Cattlemen east of the Mississippi River and in the Southern States where the droughts have not forced liquidation of herds will be in a particularly advantageous position. Western cattlemen whose grazing lands were damaged by drought may also find an outlet for breeding stock at favorable prices in the western Corn Belt during the next 2 or 3 years.

Dairymen, too, are confronted with a shortage of grain feeds and high feed costs. Prices of milk and butterfat during the winter will probably average low in relation to feed costs and to prices for meat animals. There will be close competition for the available feed supplies in the drought area.

In the Corn Belt, the high prices for meat animals as compared with butterfat, together with the shortage of feed, may cause a considerable decline in milk production there during the winter. Prices of hogs and beef cattle probably will continue relatively high in relation to butterfat for several years. Thus the incentive to increase dairy production in the Corn Belt during the next 3 years will not be as great as in the period 1920-34.

Livestock producers have been in a less favorable position than cash-grain and hay producers in the last few years because of small

supplies and high prices of feed. This situation probably will be reversed in the latter part of 1937 and conditions will be favorable to livestock producers during the next 3 years or more, for it appears improbable that the annual slaughter supplies of meat animals will again reach the 1930-34 average before 1940.

Breeding herds should not be depleted beyond a rigorous culling on farms on which there is insufficient feed for carrying them through the winter. The purchase of high-priced feeds for carrying foundation stock until pasture and new crops are available may be well justified by the favorable prices for livestock in the next few years.

C. W. Crickman.

MANY STOCKMEN HAD A GOOD YEAR DESPITE THE DROUGHT

The livestock market situation in 1936 showed certain outstanding features. Marketings of all classes of livestock except lambs were larger than the year before. There was a better consumer demand for meats. The packers paid the farmers a very much larger sum of money for their livestock. Imports both of meats and live cattle increased. The hog processing tax was discontinued. Wool prices were decidedly higher. Last but not least must be recorded the severe drought in midsummer, which greatly reduced feed production, checked the upswing in the cycle of hog production that had started in the previous fall, and forced some liquidation of livestock in the more important producing areas.

In many respects the livestock industry had a rather favorable year, despite the effects of the drought and the fact that prices of fed cattle during much of the year were low in relation to the prices paid when these cattle were bought as feeders in 1935.

Lamb prices in the second half of the year also proved to be somewhat disappointing. Increased marketings of lambs during that period, together with larger offerings of poultry, forced prices below the previous year's level, whereas early in the year, when supplies were smaller, prices had been considerably higher.

PACKERS PAID FARMERS MORE MONEY

The 10 percent greater national income in 1936 than in 1935 evidently was reflected in a similar increase in the buying power of consumers.

As a result of the increased demand for meats, payments by packers for livestock slaughtered were the largest since 1930; they were nearly 24 percent larger than the payments in 1935, and about 52 percent larger than the average of the 5 years, 1931-35. Payments for animals slaughtered under Federal inspection exceeded those of the previous year by more than \$300,000,000 and those of the 5-year average by more than \$550,000,000.

These comparisons do not take into consideration payments of processing taxes on hogs slaughtered during the period that the tax was imposed (Nov. 6, 1933-Jan. 6, 1936). If allowance is made for these taxes computed at the rate in effect in 1935, the increase in packers' total outlay for livestock over that in 1935 amounted to 12.5 percent, or about the equivalent of the increase in national income.

ONE-FOURTH MORE MEAT

Meat production from livestock slaughtered under Federal inspection during 1936 totaled about 12,700,000,000 pounds carcass weight, or nearly 24 percent more than in the previous year, but it was slightly less than the 5-year average of 1931-35.

The greatest relative increase in meat supplies over 1935 was in pork, supplies of which were about 37 percent larger than in the previous year. This increase in pork resulted from an increase in hog slaughter under Federal inspection of nearly 10,000,000 head. Notwithstanding the large increase in pork supplies over 1935 the total was nearly 15 percent less than the 5-year average of 1931-35.

\$9.75 AVERAGE FOR HOGS

The average price paid by packers for hogs slaughtered in 1936 was about \$9.75 per 100 pounds. In 1935 the average was \$9.23 but in that year packers were required to pay the processing tax of \$2.25 per 100 pounds which was not required after January 6, 1936.

Total payments for hogs slaughtered under Federal inspection in 1936 amounted to about \$786,000,000, whereas in 1935 they totaled about \$545,000,000, not including processing taxes, and the 5-year average of 1931-35 was \$485,000,000.

Demand for hogs and hog products was well sustained throughout the year and the price movements during the year were typical of the seasonal fluctuations which result from seasonal changes in marketings.

CATTLE PRICES DEPRESSED BY RECORD MARKETINGS

The large increase in market supplies of fed cattle was the outstanding feature of the cattle situation. Cattle prices at the beginning of the year were at a relatively high level, but in late January the prices of the better grades began to weaken.

In most years the prices of these grades decline during the early part of the year and rise during the summer and fall, reaching peak levels during the period August to November. In 1935, however, the price movement was greatly different from normal, as prices rose sharply early in that year from the extremely low levels of late 1934. This rise enabled cattle finishers to obtain handsome profits from their feeding operations.

These large profits, together with the increased feed production in 1935, stimulated the demand for feeder cattle in the summer and fall, and the number of cattle fed for the 1936 market was the largest in many years. Commercial slaughter of steers was the largest in the 15 years of record.

DROP IN GOOD STEERS EARLY IN YEAR

The seasonal decline in the prices of the better grades of steers which started after mid-January proved to be much greater than average and it did not end until late June, whereas normally such declines terminate in April or early May. Increased marketings of both cattle and hogs were the principal factors causing the decline to be greater than usual. During the course of this decline the weekly average price of Choice and Prime grade steers at Chicago dropped from \$13.25 to \$8.25 per 100 pounds and that of the Good grade fell from \$10.30 to \$7.65. This drop in prices caused many cattle finishers

to take losses on their feeding operations and generally restricted the profits of those who escaped losses.

RECOVERY IN LAST HALF OF YEAR

Many finishers delayed the marketing of their cattle in the hope that cattle prices would improve later in the year, and this caused supplies of the better grades to be unusually large throughout the second half of the year. Demand conditions improved, however, and pork supplies fell off seasonally, with the result that prices of most grades of cattle rose from August until the end of the year.

As a result of this upswing the year closed with cattle prices at about the same level as they were at the end of 1935. The Chicago average price of Choice and Prime steers in late December was around \$11.75 and that of the Good grade was about \$10.25, while prices of Common and Medium grades were even higher than at the beginning of the year.

The cattle price movement for the year as a whole may be described briefly as a sharp downswing from January to late June, followed by a slow recovery through the summer and a much sharper rise in October and November, not much change in December, and with the year ending with prices at about the same level as at the beginning.

HEAVIEST SLAUGHTER OF CATTLE SINCE 1918

Cattle slaughter under Federal inspection in 1936 was about 13 percent larger than in 1935 and nearly 25 percent greater than the 5-year average. The total of nearly 11,000,000 head was the largest commercial slaughter of cattle since 1918 when war demands and war prices stimulated marketings. New post-war records for both steer slaughter and cow and heifer slaughter for commercial purposes were established.

Average weights of cattle were heavier than in 1935 but were lighter than those of other recent years. Beef production from federally inspected slaughter was nearly 17 percent greater than in 1935 and about 19 percent larger than the 5-year average.

HEAVY MARKET RECEIPTS

Evidence of the increased supply and improved quality of fed cattle marketed in 1936 appears in the records of the receipts at Chicago. Offerings of Choice and Prime grade slaughter steers at that market were nearly 150 percent greater than in 1935; those of Good grade, however, were 5 percent less, while those of Medium grade were 30 percent greater and those of Common grade were only 4 percent larger.

During the first 6 months supplies of the Good grade exceeded those of a year earlier and all of the increase in the Medium grade was during this period. Holding steers for a higher market in the second half of the year resulted in greatly increasing the supplies of well finished cattle during that period.

PACKER PAYMENTS FOR CATTLE ABOVE 1935

Because of the increased marketings of cattle, the average price paid by packers was about 25 cents per 100 pounds lower than in the previous year when the average was \$6.54. Compared with the 5-year average it was about \$1 higher.

The 1936 average, however, does not reflect the actual decline in cattle prices as a result of the increased supply because it is more heavily weighted with a larger proportion of the better grades than is the average of 1935. The yearly average price of Choice and Prime grade steers at Chicago was about \$9.80 compared with \$12.25 in 1935; the Good grade averaged \$8.75 compared with \$10.80 in the previous year, the Medium grade \$7.80 in contrast with \$8.85, and the Common grade \$6.55 as compared with \$6.70.

Calf prices averaged slightly less than in 1935 but were \$1.25 higher than the 5-year average.

Total packer payments for cattle slaughtered under Federal inspection were about \$58,000,000 more than those paid in 1935 and nearly \$200,000,000 more than the yearly average during the 5 years 1931-35.

In other words, cattle producers marketed about 15 percent more cattle in terms of live weight than they did in the previous year and were paid a total of 10 percent more money for them. They also marketed nearly 8 percent more calves, live weight basis, and received about 7 percent more money for the total sold.

FEWER LAMBS BUT MORE SHEEP SLAUGHTERED

Slaughter of sheep and lambs combined during 1936 was about 2 percent less than that in 1935, and in number of head was nearly 1 percent less than the 5-year average. It included, however, a much larger than usual proportion of sheep over 1 year old and on a total weight basis it was about 2 percent greater than the 5-year average. Slaughter of lambs and yearling sheep comprised fully a million head less than in the previous year, while that of aged sheep was at least 400,000 larger. The total of the latter was the largest of the 14 years of record.

Slaughter in January and February was relatively large and considerably in excess of that of a year earlier. Marketings of late fed lambs were smaller than usual and the movement of early spring lambs was delayed because of unfavorable weather conditions. This resulted in relatively small supplies for slaughter from April to June and prices rose sharply during April and May. From early June to late July they lost all their previous gain as marketings increased, and through the late summer and early fall they declined more gradually, finally dropping below the levels of 1935 in early October. During the first 8 months prices were well above those of 1935 but in the last quarter of the year they were considerably lower than in the previous year. Seasonal movements in 1936, however, were much more nearly normal than they were in 1935.

The 1936 lamb crop was 9 percent larger than the 1935 crop and all the increase was in the western sheep States. Unfavorable weather and poor crop and pasture conditions delayed the market movement of lambs from practically all sections and tended to cause an accumulation of supplies late in the year. These conditions also resulted in a larger than usual proportion of the offerings being in only "feeder flesh" when they were sold. Quality of the supply as a whole, therefore, was not as good as in the previous year and this tended to lower the average price paid for all lambs slaughtered.

Packers paid 5 percent more for all the sheep and lambs purchased than they did in 1935 and nearly 31 percent more than the average of the 5 years, 1931-35. The average price paid for the 1936 slaughter

supply was nearly \$8.80 per 100 pounds, compared with \$8.14 in 1935, and the 5-year average of \$6.85.

THE DROUGHT CAUSED SOME LIQUIDATION OF LIVESTOCK

The prospect of smaller feed supplies as a result of the drought caused considerable liquidation of brood sows and cattle and a marked reduction in cattle feeding operations for the 1937 market.

Hog producers in the drought areas were more adversely affected than were cattlemen and sheepmen. When the pig survey was made in June by the Bureau of Agricultural Economics, producers in all sections indicated their intentions to raise considerably more fall pigs than they had raised in 1935. The drought, however, forced producers in the western Corn Belt to sell a large proportion of their brood sows, with the result that the number of sows farrowing in that region was 18 percent less than the number farrowed in the previous fall.

Producers in the other regions, where weather conditions during the summer were more favorable, were able to carry out their intentions as indicated in the June survey, and they kept a much larger number of sows for fall farrowing than they had in the previous year. The fall pig crop in these regions was 16 to 20 percent larger than the fall crop of 1935, whereas the crop in the western Corn Belt was 13 percent smaller. The increase in fall pigs saved in these regions, as compared with the previous year, more than offset the decrease in the western Corn Belt, and the total crop for the entire country was 6 percent larger than the 1935 fall crop.

The feed shortage also compelled hog producers, especially those in the western Corn Belt, to market their spring pigs earlier than usual, with the result that slaughter supplies of hogs in the last 3 months of 1936 were very much larger than those of a year earlier and considerably lighter in weight. The total, however, was not greatly different from the average in years prior to 1935.

C. A. Burmeister.

POULTRYMEN HAD THEIR TROUBLES IN 1936

The first part of the year started out quite favorably from the standpoint of the poultrymen. Both egg and poultry prices were much higher than a year before and with feed abundant the returns from poultry were showing up well.

What this situation led to was an expansion in the poultry industry during last spring and early summer. By the end of July commercial hatcheries had shown an increase of 25 percent over the preceding spring.

THEN CAME THE DROUGHT

The drought upset all calculations. Centering in the great feed belt of the Middle West, it cut the supply of feed grains and sent their prices up. Many poultrymen were forced to sell off their chickens to numbers much below those usually kept, because of the lack of feed to carry them over.

The result as to chickens was that unusually large numbers of them were sent to market from August to November with an accompanying drop in prices. This heavy liquidation of chickens was reflected in the cold-storage report of December 1, which show

150 million pounds in storage. This was 63 million pounds more than a year earlier and 55 million pounds more than the 5-year average figure of that date.

DROUGHT CUT EGG PRODUCTION

The effect of the drought on the egg situation was just the reverse of that on poultry, from the market standpoint. The liquidation of both hens and pullets led to a smaller production of eggs, smaller storage stocks, and higher prices than a year earlier.

As it happened, however, feed prices advanced even faster than egg prices, so that the situation grew less favorable to the producers. Many of them were discouraged, particularly in the East and the Middle West, and sold off still more stock, both old and young.

On the West coast, where there was no drought, the number of laying hens this fall shows quite an increase over last year, and the increased supply of Pacific coast eggs in eastern markets has kept egg prices from showing the full effects of the drought.

MORE PULLETS ON HAND

The laying flocks have gone into winter about 3 or 4 percent larger than a year ago. There are about 5 percent more pullets on hand.

The gain in the number of laying hens was largest (about 6 percent) in the South Central and far Western States. It was about 3 percent in the Atlantic States and in the Northeast. The far West showed an increase of more than 15 percent in the number of pullets.

Notwithstanding the slight increase in the number of hens, they were laying slightly fewer eggs, so that total egg production at the beginning of last month was about like that of a year ago. The rate of laying is unusually high in the far West, but in other sections of the country it is below last year.

The large proportion of pullets in the flocks this winter will tend to maintain a fairly high production of eggs per hen. On the other hand, if feed prices stay unusually high in comparison with eggs, it may force producers to sell off more laying stock than usual.

EGGS VERSUS FEED

Some idea of the feed situation which poultrymen were faced with can be gained from the following figures of comparative prices. The price of an average farm poultry ration in late November was \$1.76 per 100 pounds, compared with \$1.15 in November last year. The average farm price of eggs at the same time was 32½ cents a dozen compared with 30 cents a year ago. Prices of chickens averaged 13.2 cents compared with 15.9 cents a year ago.

DAIRYMEN HAD TO CONTEND WITH A DIFFICULT SEASON

Dairy markets in 1936 were marked by unusual developments along several lines. Light summer production of manufactured dairy products, followed by a marked pick-up in the fall, new high and low records in the matter of storage stocks and supplies, the marked upward swing of fluid milk prices—these are a few of the conditions which stand out as features of the year.

DROUGHT CUT PRODUCTION

The situation with respect to production of manufactured dairy products is of particular interest from two angles, namely, seasonal trend and total volume.

Early in the year, creamery butter production averaged well above that of the corresponding periods of 1935, but the monthly increases up to May lost much of their significance when compared with outputs in years prior to 1935. The facts are, that even with percentage increases in early 1936 over 1935, butter production was still actually lower than it had been back to about 1930.

Then, along in the early part of the summer of 1936, the drought hit butter sections, and there was a severe set-back, with the result that each month from May to September, inclusive, butter production in relation to that of the previous year was lower. July production was the lightest for that month since 1923. However, improved pasture conditions and more favorable weather which prevailed beginning in September, caused an upward swing, so much so that October butter production was the heaviest of record for that month. November production was also much heavier than in 1935, but the large increase of 18 percent is partly explained by the fact that production in November 1935 was the lowest for that month since 1928.

The marked declines which occurred during the summer of 1936 as a result of the drought, were sufficient, however, to make the 1936 calendar year production up to December 1 a net reduction of approximately 26,000,000 pounds, or 1.7 percent under January to November, inclusive, 1935.

Cheese production in 1936 was somewhat similar to butter production with respect to seasonal trends, in that during early months of the year there were heavy increases over 1935, with decreases during the summer months, but rapid strides in cheese production have occurred during recent years, so that even with the reduced summer make in 1936 the net change for the calendar year, January to November, inclusive, was an increase of 6.7 percent. From January to June, inclusive, and again in October and November, each month's production in 1936 was the heaviest of record for these particular periods.

STORAGE STOCKS INCREASED LATE IN YEAR

Another striking feature of 1936 dairy products markets is found in the stocks situation. On May 1, stocks of all classes of dairy products, except cheese, were not only lower than on that date in 1935, but were also considerably below average. As the summer and fall progressed, however, the shortages under 1935 disappeared, and on December 1, all products were in much heavier supply than a year earlier. The change from a reduction to an increase, in the case of butter, developed during the month of November, in which month there was a very light out-of-storage movement, compared with the usual rate of change.

On a combined milk equivalent basis, total stocks of butter, cheese, condensed and evaporated milk on December 1 were 31 percent heavier than on December 1, 1935. The amount of butter in cold storage on December 1, 1936, was a fourth greater than last year, and evaporated milk stocks in manufacturers' hands were three times greater.

The most striking changes in dairy prices during 1936 occurred with respect to fluid milk for city distribution. At one time or another during the last half of the year increases occurred in most of the major milk sheds.

BUTTER IMPORTS SMALLER THIS YEAR

A further item of interest during 1936 has been the import situation. Imports of butter during the first 10 months of 1936 were 7,358,000 pounds, compared with 22,057,000 pounds during the corresponding period of 1935. Cheese imports in the same two periods were 47,739,000 pounds, and 40,032,000 pounds, respectively. Imports of dry skim milk from January to October, inclusive, were 18,869,000 pounds in 1936, compared with but 4,600 pounds in 1935. Casein imports this year were 14,754,000 pounds, and 1,511,000 pounds last year.

The principal export dairy product is evaporated milk, and in the same above periods, 1936 exports were 26,977,000 pounds, compared with 21,073,000 pounds in 1935.

L. M. Davis.

SUMMARY OF DAIRY STATISTICS

PRODUCTION

[Millions of pounds; 000,000 omitted]

Product	November			January to November, inclusive		
	1936	1935	Percent change	1936	1935	Percent change
Creamery butter-----	114	96	+18.2	1,502	1,527	-1.7
Cheese-----	47	40	+16.6	621	582	+6.7
Condensed milk-----	15	15	+2.0	241	207	+16.2
Evaporated milk ¹ -----	128	86	+48.0	1,948	1,737	+12.1
Total milk equivalent--	3,176	2,649	+19.9	42,559	42,173	+ .9

¹ Case goods only.

SMALLEST POTATO SUPPLY PER PERSON IN 55 YEARS

The small potato acreage of 1936 (3,058,000 acres) turned out a crop of 330,000,000 bushels, roughly, according to the final estimate. This is 56,383,000 bushels less than the crop of the previous year.

In the 37 late potato States, the crop amounted to 303,897,000 bushels, which was 48,684,000 bushels less than the year before.

The greatest reduction occurred in the 16 Central States,¹ which produced a crop of 121,921,000 bushels, or some 54,000,000 bushels less than the previous year. In the other eastern and western late and intermediate States the crop was slightly greater than in 1935.

The total output of potatoes per capita is 155 pounds, the smallest since 1881. It is, however, only 1 pound less than in the short crop year 1925.

¹ Colorado, Kansas, Montana, Nebraska, North Dakota, South Dakota, Wyoming, Illinois, Indiana, Iowa, Kentucky, Michigan, Missouri, Minnesota, Ohio, and Wisconsin.

QUALITY NOT UP TO AVERAGE

Reports from various parts of the country indicate that the quality of the 1936 late potato crop is generally below average, except in the far West. In the Mountain and Pacific States the quality generally is good.

The drought was one chief cause of the poor quality. In addition, the crop was planted late in many States and early frosts killed the vines while still green, causing the potatoes to lack proper maturity in many Central and Western States. In the East the season was wet during harvest, causing many potatoes to be dirty when harvested. In Maine late blight was prevalent to a greater extent than usual.

All the commercial producing areas are making a vigorous effort to ship good-quality potatoes, but this necessitates more than usual culling, so that the waste and shrinkage are estimated to be greater than normal.

SMALL SUPPLY TO START THE YEAR

The small supply of late potatoes apparently means an estimated present carry-over of merchantable potatoes of about 75,000,000 bushels. This would be 17,777,000 less than the carry-over 1 year ago, which was 92,777,000.

PROBABLE SHORT SUPPLY FROM NOW UNTIL NEXT FALL

Reports were gathered from the South on the first of last October, at which time growers in the commercial producing areas in the early, second early, and intermediate States signified their intention to plant 321,000 acres in 1937. If those plans are carried out, it would mean an 18 percent increase over the 271,000 acres planted in 1936. It would be 11 percent more than the 1932-36 average. It would amount to a 1.6 percent increase in the total United States acreage.

Deducting the 2,100 acres of fall-planted acreage in Texas, there are intended for planting about 319,000 acres. The average yield (1932-36) in these areas was 140 bushels to the acre. If the yield this spring should be average and the acreage planted as intended, it would result in an estimated crop of 44,955,000 bushels. As compared with the 1936 crop of 35,631,000 bushels, this would be an increase of 9,324,000 bushels, or 21 percent.

The supply of merchantable late potatoes on hand at the beginning of 1936, plus the early, second early, and intermediate new crops, produced an available supply for marketing between January 1 and September 1936 of 128,408,000 bushels. Taking the supply of old potatoes now on hand and new potatoes expected to be available, would give a total supply for the comparable period in 1937 of 119,595,000 bushels. This would be 8,813,000 bushels, or 7 percent less than was available in 1936.

The estimated crop for 1937 for the early States² is 19,319,000 bushels, an increase of 4,370,000 bushels over last spring. For the second early States⁴ it is 6,994,000 bushels, an increase of 2,794,000. For the intermediate States³ it is 18,282,000 bushels, an increase of 1,902,000 bushels.

The total supply of old and new crop potatoes in the 12 early and second early States available for marketing from January 1 to July 1937 is figured to be 101,300,000 bushels, or 10,700,000 less than the available supply during the like period of 1936.

² Florida, Texas, Alabama, Louisiana, Mississippi, Georgia, South Carolina, and California.

³ Kansas, Kentucky, Maryland, Missouri, Virginia; also Nebraska and New Jersey.

⁴ Arkansas, Oklahoma, North Carolina, and Tennessee.

This would compare with the supply in the like period in other short crop years, as follows: 103,600,000 bushels in 1930, 101,300,000 bushels in 1927, and 87,900,000 bushels in 1926.

HIGH PRICES PROBABLE THROUGH SPRING

The short supply foreseen for 1937 will result, presumably, in high prices for the unmarketed portion of the 1936 crop and for producers in the early States.

It is unlikely that the crops in the second early States or those marketing their crop in June will receive as high a price as they did in 1936 or 1930. Their own and their competitors' supplies of new potatoes will be larger than in those years and the price level of whole-sale foods is expected to be lower than in 1930, although not lower than in 1936.

Producers in areas marketing their crop in July, August, and September have local and home-grown potatoes to compete with, the supply of which cannot be estimated at this time. They will also meet increased competition, since growers in those areas whose crop matures earlier and must be marketed rapidly in a restricted period of time are increasing their acreage and production.

There is a distinct possibility of the overlapping of shipments from the second early and intermediate groups of States. The rate at which growers in the second early and intermediate States market their potatoes may have a material effect on prices, in that if the movement is too rapid, prices will be depressed to low levels that may be unwarranted with respect to the supply situation.

The accompanying table shows the total early and second early commercial potato acreage, production, and prices received by growers during the short supply years for designated areas.

EARLY (1) AND (2), AND SECOND EARLY COMMERCIAL POTATO ACREAGE, PRODUCTION, AND CARLOT SHIPMENTS

PRICE FOR DESIGNATED YEARS AND AREAS

Year	Acres	Pro- duction	Car- load ship- ments	Average seasonal price, U. S. No. 1 f. o. b. shipping point					
				Dollars per barrel			Dollars per cwt. sack		
				Flor- ida	North Caro- lina	Vir- ginia, East- ern shore	Texas lower valley	Ala- bama	New Jersey
	<i>Bushels</i>	<i>1,000 bushels</i>	<i>Cars</i>						
1926-----	150, 300	16, 570	28, 457	9. 10	5. 23	3. 89	5. 36	3. 47	2. 36
1927-----	173, 300	17, 127	28, 794	5. 42	5. 56	3. 76	3. 53	3. 77	1. 79
1930-----	175, 700	19, 487	34, 418	6. 54	4. 23	2. 84	3. 50	2. 79	1. 55
1936-----	151, 600	19, 149	31, 553	4. 95	5. 57	4. 12	2. 97	2. 49	1. 94
1937-----	¹ 190, 950	² 26, 313	² 44, 060	-----	-----	-----	-----	-----	-----

¹ Intended for planting—Crop Reporting Board, Oct. 1, 1936.

² Estimate based on Oct. 1, 1936 Crop Reporting Board's 1937 acreage intentions and 1932-36 average yield and percent sold.

A. E. MERCKER,
Agricultural Adjustment Administration.

HIGHER PRICED FLAXSEED

Flax was hit by the drought last summer along with spring wheat, and the crop, with the exception of the other drought year 1934, was the smallest on record. It was estimated at slightly over 6,000,000 bushels, compared with a little over 14,000,000 bushels last year and 5,700,000 bushels in 1934.

CROP 9 MILLIONS—WE USE OVER 20 MILLIONS

Taking account of the carry-over on July 1, our total supply of flaxseed this season has been placed at 9,400,000 bushels, compared with 16,300,000 bushels a year ago.

Inasmuch as this country is likely to use more than 20,000,000 bushels in a season it is evident that we must have large imports during the remainder of this marketing year.

The price of domestic flaxseed has advanced sharply since mid-summer on the strength of this short crop.

FOREIGN SUPPLIES LARGER

The Argentine crop, which is now beginning harvest, is expected to be around 70,000,000 bushels. This would be some 14,000,000 bushels larger than last year and about equal to the average (1923-32).

The Canadian crop, however, is only about one-third of the average and will be less than Canada normally requires, notwithstanding that it is a larger crop than last year.

The world flaxseed crop for 1936-37 is expected to amount to about 140,000,000 bushels, compared with 137,000,000 bushels last year and 145,000,000 bushels average.

During the period 1923-32 the United States produced 11 percent of the world total and Argentina 48 percent. This year, as a result of the drought, the United States will produce only about 4 percent and Argentina about 50 percent.

Whether or not the large Argentine crop will weaken world prices somewhat, and American prices along with them, remains to be seen, but it is a possibility.

LESS LINSEED OIL BEING USED

Linseed oil does not loom quite as large in the paint and varnish industry as it formerly did. In 1931 linseed oil represented 77 percent of the total used by the industry. Since that time, however, other oils have been coming into greater use and in 1935 linseed oil represented only 62 percent of the total used.

The tax of 4.5 cents a pound on imports of Perilla oil and a smaller soybean crop may result, however, in smaller amounts of those oils being used by the paint industry this coming year.

TOBACCO PRICES HIGHER

The flue-cured tobacco markets that were open during November and December found the crop moving at substantially higher prices than a year ago. Indications are that the price of all flue-cured tobacco for the 1936 season will be about 22 cents, compared with 20 cents in the 1935 season.

The Lexington market and the other burley markets opened the first week in December. The reports showed that prices at the opening averaged from 1 cent to 15 cents a pound above last season's opening prices, depending upon the grade. The margin of increase was highest on the cigarette grades.

BURLEY SUPPLY DOWN

The 1936 supply of burley is 897,861,000 pounds, a decrease of 93,641,000 pounds from the previous year. This is the largest decrease since 1927. In the latter year the supply fell off 128 million pounds and prices went up 13 cents.

COUNTRY SMOKING A LOT OF CIGARETTES

This country is now smoking cigarettes by the hundreds of billions. In the first 10 months of 1936 the consumption of cigarettes reached a record figure of 128 billion. That was about 13 percent more than in the like period of 1935 and 20 percent over 1934.

We are also selling considerable tobacco abroad. Exports of flue-cured for the period July-October 1936 were nearly 134 million pounds (export weight), which was larger than in the same period for any year since 1930.

This situation of a smaller tobacco crop, coupled with the strong demand, especially for cigarettes, puts the growers of this type of tobacco in strong market position this season.

SOYBEANS IN GOOD MARKET POSITION

The soybean crop this last year was smaller than in 1935. This fact, coupled with the active demand from industry and less than usual supplies of competing products, has boosted soybean prices substantially since the middle of summer.

Soybeans have been selling at well over \$1 a bushel in recent weeks and the price has been from 40 cents to 50 cents above a year ago.

The crop was estimated at roughly 26,000,000 bushels in the six leading States. This compared with 37,700,000 bushels in those States a year ago but with the exception of the 1935 crop this year's was the largest on record.

A major part of the oil produced from soybeans is used in the food industries, where it competes somewhat with cottonseed oil. Consequently, the price of cottonseed in relation to soybeans plays a considerable part in deciding the market for the latter. Since June the advance in soybean prices has put them up where their competitive advantage over cottonseed is less.

CABBAGE PRICES STIMULATING SOUTHERN ACREAGE

The cabbage market has been fairly good this fall. Growers of late cabbage have sold a considerable part of their crop for \$20 a ton or better.

The early fall movement to market was heavier than that of a year ago. Some 461 cars moved to market the first week of December, compared with 465 for the same week a year ago. But for the season

up through the first week in December roughly 21,700 cars had been shipped, compared with 19,300 up to a similar date last year.

MORE EARLY CABBAGE COMING

It appears that the prices this season have been high enough to stimulate planting in the South. The estimates on the first of last month, of acreage planted and intended to be planted, for the 1937 season in the fall, early, and second early States placed it at 10 percent over the 1936 acreage and about double that of 1935. If yields are anywhere near average the South apparently is all set to produce a record crop of early cabbage.

PRICES OF FARM PRODUCTS

Estimates of average prices received by producers at local farm markets based on reports to the Division of Crop and Livestock Estimates of this Bureau. Average of reports covering the United States weighted according to relative importance of district and States.

Product	5-year average, August 1909-July 1914	December average, 1909-13	December 1935	November 1936	December 1936	Parity price December 1936
Cotton, lb-----cents--	12. 4	12. 2	11. 4	12. 0	12. 3	16. 2
Corn, bu-----do-----	64. 2	57. 7	53. 0	94. 6	95. 6	84. 1
Wheat, bu-----do-----	88. 4	86. 7	89. 0	106. 5	114. 5	115. 8
Hay, ton-----dollars--	11. 87	11. 99	7. 20	10. 73	11. 08	15. 55
Potatoes, bu-----cents--	69. 7	62. 3	63. 7	98. 0	106. 3	89. 9
Oats, bu-----do-----	39. 9	38. 3	25. 5	44. 2	48. 4	52. 3
Beef cattle, cwt.						
dollars--	5. 21	5. 03	6. 14	5. 97	6. 17	6. 83
Hogs, cwt-----do-----	7. 22	6. 73	8. 72	8. 74	9. 09	9. 46
Chickens, lb--cents--	11. 4	10. 6	16. 0	13. 2	12. 6	14. 9
Eggs, doz-----do-----	21. 5	29. 9	28. 7	32. 5	30. 5	¹ 42. 6
Butter, lb-----do-----	25. 5	28. 3	29. 8	30. 8	31. 2	¹ 36. 1
Butterfat, lb--do-----	26. 3	29. 9	33. 0	33. 1	33. 6	¹ 37. 7
Wool, lb-----do-----	17. 6	17. 0	23. 3	27. 2	30. 1	23. 1
Veal calves, cwt.						
dollars--	6. 75	6. 74	7. 86	7. 46	7. 83	8. 84
Lambs, cwt-----do-----	5. 87	5. 52	8. 15	7. 23	7. 26	7. 69
Horses, each--do-----	136. 60	132. 10	90. 60	90. 50	93. 20	178. 90

¹ Adjusted for seasonality.

MEASURES OF DOMESTIC DEMAND

[1924-29=100]

	November				Percent change		
	1929	1933	1935	1936	1935-36	1933-36	1929-36
National income (excluding farm income):							
Total.....	106.3	66.7	77.2	89.5	+16	+34	-16
Per capita.....	100.7	61.9	71.0	81.7	+15	+32	-19
Factory pay rolls:							
Total.....	102.2	55.4	74.1	88.5	+19	+60	-13
Per employed wage earner.....	99.0	69.6	84.1	92.3	+10	+33	-7
Industrial production:							
Total.....	102.6	67.2	89.6	106.4	+19	+58	+4
Factories processing farm products.....	103.1	92.6	98.8	112.8	+14	+22	+9
Other factory production.....	103.0	53.7	87.0	104.3	+20	+94	+1
Construction activity:							
Contracts awarded, total.....	85.1	39.7	49.6	47.9	-4	+21	-44
Contracts awarded, residential.....	60.0	11.6	23.3	35.8	+54	+209	-42
Employment in production of building materials.....	91.1	41.3	48.7	59.3	+22	+44	-35
Cost of living:							
Food.....	102.9	68.8	78.0	79.3	+2	+15	-23
"All other items".....	98.5	81.9	81.8	82.6	+1	+1	-16
Purchasing power of national income (excluding farm income) per capita:							
For food.....	97.9	90.0	91.0	103.0	+13	+14	+5
For "All other items".....	102.2	75.6	86.8	98.9	+14	+31	-3

NOTE.—All indexes adjusted for seasonal variation except "Cost of living."

National income arising from sources other than agricultural made the sharpest month-to-month gain in November for about 3 years. As compared with October, the improvement amounted to 3.2 percent and, as compared with November a year ago, to 14.7 percent. Since a slight decline in food costs more than offset the month-to-month gain in other living expenses, the gain in per capita nonfarm national income was fully reflected in a similar month-to-month increase in urban purchasing power. In terms of food, buying power of nonagricultural national income per capita of nonfarm population is now higher than the 1924-29 average.

Improvement in consumer income and buying power is only partially due to the recent avalanche of extra-dividend disbursements and to numerous increases in wage rates. An additional factor of great importance is the sharp increase in industrial production, indicated by a five point October-to-November advance in the Federal Reserve Board index. The general character of the improvement is indicated by October-to-November gains for 10 of the 12 individual industries covered in the preliminary Federal Reserve Board reports. On a per-capita basis, November production was still approximately 10 percent under the 1929 average. Output of industries using agricultural products as raw materials showed an October-to-November advance of almost 5 percent, production setting a new November record. The month-to-month gain in output of industries using nonagricultural raw materials amounted to about 3 percent.

With retail food prices only 2 percent higher than a year ago, most of the current increase in per capita purchasing power is available for nonagricultural goods and services.

P. H. BOLLINGER,
Agricultural Adjustment Administration.

GENERAL TREND OF PRICES AND WAGES

[1910-14=100]

Year and month	Wholesale prices of all commodities ¹	Industrial wages ²	Prices paid by farmers for commodities used in ³ —			Farm wages	Taxes ⁴
			Living	Production	Living-production		
1920.....	225	222	222	174	201	239	209
1921.....	142	203	161	141	152	150	223
1922.....	141	197	156	139	149	146	224
1923.....	147	214	160	141	152	166	228
1924.....	143	218	159	143	152	166	228
1925.....	151	223	164	147	157	168	232
1926.....	146	229	162	146	155	171	232
1927.....	139	231	159	145	153	170	238
1928.....	141	232	160	148	155	169	239
1929.....	139	236	158	147	153	170	241
1930.....	126	226	148	140	145	152	238
1931.....	107	207	126	122	124	116	218
1932.....	95	178	108	107	107	86	189
1933.....	96	171	109	108	109	80	162
1934.....	109	182	122	125	123	90	154
1935.....	117	191	124	126	125	98	-----
November.....	118	190	-----	-----	122	-----	-----
December.....	118	196	124	119	122	-----	-----
1936.....	-----	-----	-----	-----	-----	-----	-----
January.....	118	195	-----	-----	122	94	-----
February.....	118	195	-----	-----	122	-----	-----
March.....	116	198	122	119	121	-----	-----
April.....	116	195	-----	-----	121	101	-----
May.....	115	195	-----	-----	121	-----	-----
June.....	116	196	121	120	120	-----	-----
July.....	118	198	-----	-----	123	108	-----
August.....	119	202	-----	-----	126	-----	-----
September.....	119	198	123	132	127	-----	-----
October.....	119	202	-----	-----	⁵ 127	110	-----
November.....	120	201	-----	-----	⁵ 127	-----	-----

¹ Bureau of Labor Statistics Index with 1926=100, divided by its 1910-14 average of 68.5.² Average weekly earnings, New York State factories. June 1914=100.³ These indexes are based on retail prices paid by farmers for commodities used in living and production reported quarterly for March, June, September, and December. The indexes for other months are straight interpolations between the successive quarterly indexes.⁴ Index of farm real estate taxes, per acre, 1913=100.⁵ Preliminary.

GENERAL TREND OF PRICES RECEIVED AND PAID

Year and month	Index numbers of farm prices [August 1909-July 1914=100]							Prices paid by farmers for commodities ¹	Ratio of prices received to prices paid
	Grains	Cotton and cottonseed	Fruits	Truck crops	Meat animals	Dairy products	Chick-ens and eggs	All groups	
1920.....	232	248	191	-----	174	198	223	201	105
1921.....	112	101	157	-----	109	156	162	125	82
1922.....	106	156	174	-----	114	143	141	132	89
1923.....	113	216	137	-----	107	159	146	142	93
1924.....	129	212	125	150	110	149	149	143	94
1925.....	157	177	172	153	140	153	163	156	99
1926.....	131	122	138	143	147	152	159	145	94
1927.....	128	128	144	121	140	155	144	139	91
1928.....	130	152	176	159	151	158	153	149	96
1929.....	120	144	141	149	156	157	162	146	95
1930.....	100	102	162	140	133	137	129	126	87
1931.....	63	63	95	117	92	108	100	87	70
1932.....	44	47	82	102	63	83	82	65	61
1933.....	62	64	74	105	60	82	75	70	64
1934.....	93	99	100	104	68	95	89	90	73
1935.....	103	101	91	127	118	108	117	108	86
1936.....	-----	-----	-----	-----	-----	-----	-----	-----	-----
October.....	101	94	82	120	125	104	132	109	89
November.....	90	99	83	136	117	111	140	108	89
December.....	89	98	92	136	120	118	135	110	90
1937.....	-----	-----	-----	-----	-----	-----	-----	-----	-----
January.....	92	95	89	118	122	120	117	109	89
February.....	92	94	92	117	125	123	121	109	89
March.....	92	93	94	77	122	118	99	104	86
April.....	89	96	89	107	125	114	97	105	87
May.....	88	96	103	105	118	106	101	103	85
June.....	87	96	115	99	120	106	103	107	89
July.....	109	105	117	115	119	116	106	115	93
August.....	129	103	108	134	123	125	112	124	98
September.....	130	106	105	153	123	123	119	124	98
October.....	128	104	104	131	120	125	127	121	² 127
November.....	127	103	97	104	118	126	141	120	² 127
December.....	134	105	93	99	122	127	133	126	² 127

¹ 1910-14=100.² Preliminary.

CASH INCOME FROM THE SALE OF FARM PRODUCTS AND GOVERNMENT PAYMENTS TO FARMERS

CASH INCOME FROM SALE OF FARM PRODUCTS ¹

	Grains	Cotton and cotton-seed	Fruits and vegetables	All crops	Meat animals	Dairy products	Poultry and eggs	All live-stock and products	Total crops and live-stock
	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>
1935									
September----	98	103	67	354	142	100	43	294	648
October-----	83	172	106	474	176	98	47	328	802
November-----	56	138	70	338	161	94	71	331	669
December-----	42	89	66	262	172	103	70	351	613
1936									
January-----	41	53	54	201	191	112	41	349	550
February-----	31	32	68	161	145	103	36	288	449
March-----	46	23	80	179	154	115	52	326	505
April-----	37	14	85	159	159	113	56	334	493
May-----	42	19	104	191	148	126	64	350	541
June-----	55	16	108	206	165	130	59	381	587
July-----	163	12	108	327	171	130	49	383	710
August-----	117	27	78	284	168	125	46	351	635
September-----	71	159	86	406	174	120	43	346	752
October-----	70	220	103	510	198	121	44	372	882
November-----	65	140	76	352	200	108	62	379	731

¹ Figures from Sept. 1935 to date revised.

GOVERNMENT PAYMENTS TO FARMERS NOT INCLUDED IN OTHER SOURCES OF INCOME

	Cotton	Tobacco	Wheat	Sugar and rice	Cotton price adjustment	Corn-hog	Agri. conservation program	Total
	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>
1935								
September----	6	4	23	2	-----	22	-----	57
October-----	18	2	19	5	-----	18	-----	62
November-----	13	2	28	10	-----	9	-----	¹ 64
December-----	31	1	5	9	-----	3	-----	¹ 50
1936								
January-----	1	-----	-----	-----	-----	-----	-----	1
February-----	-----	-----	-----	-----	-----	-----	-----	-----
March-----	8	-----	5	2	-----	-----	-----	15
April-----	3	-----	14	2	5	13	-----	37
May-----	1	1	16	1	9	31	-----	59
June-----	1	2	11	-----	13	30	-----	57
July-----	1	2	4	-----	8	9	-----	24
August-----	-----	1	3	-----	3	4	-----	11
September-----	-----	2	2	-----	1	1	-----	6
October-----	-----	-----	16	1	-----	2	3	22
November-----	-----	-----	12	1	-----	-----	6	19

¹ Includes \$1,000,000 to peanut growers in November and December.

THE TREND OF AGRICULTURAL IMPORTS ¹

Year and month (ended Dec. 31)	Cattle, live ²	Beef, canned, including corn- ed ^{3 4}	Butter	Wheat, grain ^{3 5}	Corn, grain	Oats, grain	Barley, malt ³
	1,000 head	1,000 pounds	1,000 pounds	1,000 bushels	1,000 bushels	1,000 bushels	1,000 pounds
Total:							
1920-----	379	3, 979	37, 454	97	7, 784	6, 728	0
1921-----	195	320	18, 558	3, 574	164	5, 565	0
1922-----	238	894	6, 957	10, 560	113	1, 299	60
1923-----	140	4, 496	23, 741	8, 930	203	317	397
1924-----	145	7, 026	19, 405	6, 895	4, 107	6, 964	765
1925-----	175	7, 969	7, 212	1, 308	1, 086	178	836
1926-----	221	21, 045	8, 029	451	1, 055	157	1, 028
1927-----	445	35, 999	8, 460	21	5, 458	85	810
1928-----	536	52, 738	4, 659	224	565	489	865
1929-----	505	79, 899	2, 773	36	407	112	1, 025
1930-----	234	56, 105	2, 472	317	1, 556	183	4, 309
1931-----	95	19, 586	1, 882	54	618	576	39, 875
1932-----	106	24, 639	1, 014	3	344	59	52, 533
1933-----	82	41, 344	1, 022	31	160	132	109, 183
1934-----	66	46, 674	1, 253	7, 737	2, 959	5, 580	193, 728
November:							
1927-----	89	2, 152	297	(⁶)	762	12	83
1928-----	58	4, 482	172	1	26	5	35
1929-----	41	4, 824	113	6	58	13	129
1930-----	1	701	101	18	298	23	1, 191
1931-----	7	1, 330	134	(⁶)	45	7	2, 865
1932-----	14	1, 656	67	0	22	(⁶)	1, 724
1933-----	2	3, 811	31	19	27	12	12, 298
1934-----	2	4, 440	189	1, 407	470	1, 672	12, 876
1935:							
January-----	6	4, 099	539	843	1, 887	1, 644	17, 449
February-----	38	4, 222	3, 071	1, 055	1, 826	2, 118	15, 459
March-----	53	7, 690	4, 929	1, 458	3, 304	2, 596	27, 197
April-----	51	9, 496	8, 860	1, 611	1, 445	2, 167	30, 701
May-----	49	7, 076	2, 665	847	3, 036	1, 124	37, 794
June-----	34	5, 911	1, 437	625	6, 122	406	43, 728
July-----	18	5, 220	177	793	5, 649	29	42, 041
August-----	16	5, 740	149	2, 570	8, 554	1	27, 136
September-----	14	7, 752	122	3, 644	2, 986	7	27, 566
October-----	32	5, 379	108	5, 324	4, 690	5	16, 933
November-----	40	6, 811	277	4, 348	1, 651	2	18, 916
December-----	27	6, 867	341	4, 321	2, 092	8	15, 703
Total-----	378	76, 263	22, 675	27, 439	43, 242	10, 107	320, 623
1936: Prel.							
January-----	22	7, 642	860	2, 231	1, 869	0	15, 190
February-----	28	7, 218	2, 191	2, 398	583	6	15, 554
March-----	52	7, 978	577	2, 673	1, 186	5	18, 153
April-----	79	11, 897	661	1, 536	1, 052	11	21, 642
May-----	57	8, 654	224	1, 627	938	22	27, 300
June-----	47	7, 034	168	3, 028	34	2	24, 256
July-----	34	7, 506	308	4, 477	1, 301	1	31, 811
August-----	19	8, 938	1, 183	6, 294	1, 549	(⁶)	29, 018
September-----	23	6, 439	539	4, 604	4, 144	13	24, 923
October-----	21	-----	648	-----	8, 126	22	26, 200
November-----	15	3, 658	1, 361	3, 199	6, 263	47	28, 715

¹ General imports prior to 1934; beginning Jan. 1, 1934, imports for consumption.² Official monthly figures exclude cattle imported free from the Virgin Islands, 1927-28.³ Imports for consumption.⁴ November figures include "Other canned meats" prior to 1929.⁵ For domestic consumption and includes only wheat full duty paid and 10 percent ad valorem.⁶ Less than 500.

Compiled from Foreign Commerce and Navigation of the United States and official records of Bureau of Foreign and Domestic Commerce.

GENERAL BUSINESS INDICATORS RELATED TO AGRICULTURE

Production, consumption, and movements	November 1935	October 1936	November 1936	Month's trend
Pig iron, daily (thousand tons)-----	69	¹ 97	98	Increase.
Bituminous coal (million tons)-----	33	43	² 41	Decrease.
Steel ingots (thousand long tons)-----	3, 150	4, 545	4, 337	Do.
Cotton, by mills (thousand bales)-----	512	646	627	Do.
Steel Corporation shipments of finished steel products (thousand tons).	682	1, 007	883	Do.
Building contracts in 37 Northeastern States (million dollars).	188	226	208	Do.
Hogs slaughtered (thousands)-----	2, 422	3, 492	4, 292	Increase.
Cattle and calves slaughtered (thousands).	1, 436	1, 710	1, 465	Decrease.
Sheep and lambs slaughtered (thousands).	1, 407	1, 742	1, 544	Do.
Bank debits (outside New York City) (billion dollars).	17	20	18	Do.
Carloadings (thousands)-----	¹ 2, 504	4, 096	3, 013	Do.
Mail-order sales (million dollars)-----	72	104	(³)	
Employees, New York State factories (thousands).	381	419	419	Unchanged.
Average price 25 industrial stocks (dollars).	197. 63	230. 40	238. 88	Increase.
Interest rate (4-6 months' paper, New York) (percent).	. 75	. 75	. 75	Unchanged.
Retail food price index (Department of Labor). ⁴	133	135	135	Do.
Wholesale price index (Department of Labor). ⁴	118	119	120	Increase.

¹ Revised.² Preliminary.³ Not available.⁴ 1910-14 basis.

Data in the above table, excepting livestock slaughter and price and export indexes, are from the Survey of Current Business, Bureau of Foreign and Domestic Commerce, U. S. Department of Commerce.

COLD-STORAGE SITUATION

[Dec. 1 holdings, shows nearest millions; i. e., 000,000 omitted]

Commodity	5-year average, 1931-35	Year ago	Month ago	December 1936
Apples-----bushels--	¹ 30, 558	¹ 33, 054	¹ 25, 445	¹ 25, 890
Frozen and preserved fruits-----pounds--	78	83	79	75
40-percent cream-----40-quart cans--	¹ 144	¹ 134	¹ 209	¹ 174
Creamery butter-----pounds--	74	72	105	89
American cheese-----do--	81	93	103	99
Frozen eggs-----do--	76	79	82	66
Shell eggs-----cases--	¹ 2, 481	¹ 2, 738	¹ 3, 788	¹ 1, 754
Total poultry-----pounds--	92	86	105	150
Total beef-----do--	74	91	105	152
Total pork-----do--	431	253	355	456
Lard-----do--	64	38	95	107
Lamb and mutton, frozen-----do--	3	3	6	8
Total meats-----do--	571	410	543	712

¹ 3 ciphers omitted.